

**CITY OF BRIDGEPORT  
ECONOMIC AND COMMUNITY DEVELOPMENT  
AND ENVIRONMENT COMMITTEE  
SPECIAL MEETING  
AUGUST 25, 2014**

**ATTENDANCE:** Jack Banta, Co-Chair; Eneida Martinez-Walker; Richard DeJesus, Mary McBride-Lee

**OTHERS:** Council Member Susan Brannelly, Council Member Enrique Torres, Council Member Patricia Swain; Council Member Robert Halstead, Council Member Milta Feliciano; Christine Smith, Central Grants Office; Renu Gupta, Central Grants; Bill Coleman, OPED, David Kooris, OPED Director; Ginne-Rae Clay, OPED Deputy Director; Brett Broesder, Communications Director; Mark Anastasi, City Attorney; Deb Sims, NRZ; Penn Lindsay, Wishrock Housing. Gordon Softon, Tom McCluskey, JHM Developers; Mr. John Fletcher, JHM Developers

**CALL TO ORDER**

Council Member Banta called the meeting to order at 6:17 p.m. There was a quorum present.

**APPROVAL OF COMMITTEE MINUTES OF JULY 15, 2014.**  
**APPROVAL OF COMMITTEE MINUTES OF JULY 22, 2014 (SPECIAL MEETING).**

- \*\* COUNCIL MEMBER MARTINEZ-WALKER MOVED THE MINUTES OF JULY 15, 2014 AND JULY 22, 2014 SPECIAL MEETING.**
- \*\* COUNCIL MEMBER MCBRIDE-LEE SECONDED.**
- \*\* THE MOTION TO APPROVE THE MINUTES OF JULY 15, 2014 AND JULY 22, 2014 SPECIAL MEETING AS SUBMITTED PASSED UNANIMOUSLY.**

**47-13 A Resolution regarding the Coal Burning PSEG Plant in Bridgeport Harbor.**

Council Member Banta asked if there was anyone present to speak on this item. No one came forward. He then said that he would like say a few words about this issue as it is located in his District. This coal burning plant has been in existence for over 50 years and there is a proposal to convert the plant to natural gas. He said that the Committee would like to have PSEG come in and speak to the Committee. Council Member DeJesus said he would like to table the item since PSEG was not present. Atty. Anastasi said that he had read the resolution and suggested that the Committee invite PSEG to enter into a dialog rather than passing a resolution and then informing the company of it.

**\*\* COUNCIL MEMBER DEJESUS MOVED TO TABLE AGENDA ITEM 47-13 A RESOLUTION REGARDING THE COAL BURNING PSEG PLANT IN BRIDGEPORT HARBOR.**

**\*\* COUNCIL MEMBER MARTINEZ-WALKER SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

A brief discussion followed regarding the focus of the discussion with PSEG and the scheduling of the next ECDCE meeting.

Council Member Torres asked for clarification on what the procedure would be. Atty. Anastasi suggested that the Committee Chairs contact PSEG either directly or through the administration regarding their availability for the next scheduled meeting on September 2, 2014.

Council Member Brannelly asked Atty. Anastasi if PSEG had received a copy of the resolution. She pointed out that if the wording of the resolution was unclear or flawed, then the Council or the Committee would have to undo what they had already done. Atty. Anastasi agreed with her.

Council Member Banta said that this item would then be tabled until a date could be set up to meet with PSEG and he would contact the administration about this. He said he would like to call a special meeting for this matter.

Council Member Torres asked if it would make sense to withdraw the original resolution and re-introduce a new resolution. He pointed out that if there was an amendment, it could be radically different from what was originally proposed.

Council Member McBride-Lee said that she had a number of questions that she would like to ask PSEG. She said that while the Committee would like to have the plant converted to natural gas, they were not sure what PSEG would like to do at this time.

**133-13 Grant Submission: re State Office of Policy & Management – Youth Services Prevention Grant for the Office of Neighborhood Revitalization Mentoring Program.**

Council Member Banta asked if there was anyone present from the Central Grant Office to speak on the matter. Ms. Smith and Ms. Gupta came forward and greeted the Committee members. Ms. Smith explained that this was the second year of a two year grant. She went on to give a brief overview of the clientele that the program targets and the activities involved.

Council Member Martinez-Walker said that at the last Committee meeting that this matter had been tabled because the Committee wanted additional information on the Department and that some emails had been received from Ms. Clay, but to date, the listing of organizations that the grant funding was given to have not been provided. She said that in her recent research she found that there was an understanding that Ms. Clay is requesting some proposals from the agencies that she would like to receive the funding. Council Member Martinez-Walker said that she had spoken with State Representative Clemmons who told her that the funding came from him. She said she wished to understand why departments were implementing policies and protocols for funding that was coming from the State Representatives. All that the Committee is requesting is a listing of the organizations that this funding will be given to and the amounts. If the information is not provided, Council Member Martinez-Walker said that she would move to table the item again.

Council Member Banta asked if there was a list of organizations available. He was told that the group had an idea of who would be receiving the funding, but it was not confirmed yet. Ms. Clay said that she would like to clarify that she was not requesting proposals from organizations, but statements of how they intend to spend the money since the Department is responsible for how they spend the funding. The Department needs to monitor the projects so that they can report back.

Council Member Martinez-Walker asked if the information has been requested for 2013-2014 and was told no. She then wished to know how the allocation breakdown was created. Ms. Clay explained the process and said that the amount of funding was based on the number of children and the type of activities available.

Council Member Martinez-Walker asked if this process had worked for 2013-2014. Ms. Clay said that it did, but there were things that could have been done differently. It was stated that there was no intention to deny the children the use of this money but that it was important to document how the funding was spent. Council Member Martinez-Walker said that her concern was that this was a Youth Prevention Grant and is given so that organizations can provide the services that the youth need. That's why it is important to have a list of organizations. Ms. Clay asked if they were expected to identify the various organizations and Council Member Martinez-Walker said that this was so. Council Member DeJesus agreed. Discussion followed about the details.

Council Member Martinez-Walker asked if the group knew what organizations would be participating. She was told that it was expected that the same groups from last year would be receiving the funding. However, last year, the Taylor Center was not able to be including in the program, but it was hoped that they would be included this year. Council Member Martinez-Walker pointed out that the funding amounted to \$67,000 and this was why the information was important.

Council Member Brannelly asked what the funding amount was last year as compared to this year's funding. She was told that last year was \$67,113.99 and this year would be \$57,150.00. There were 28 youths that benefited from the program. Discussion followed.

Ms. Smith was asked if it would be possible to have a break down of the amount of money that the youth were paid last year. Ms. Smith said that she would.

**\*\* COUNCIL MEMBER MARTINEZ-WALKER MOVED TO TABLE AGENDA ITEM 133-13 GRANT SUBMISSION: RE STATE OFFICE OF POLICY & MANAGEMENT – YOUTH SERVICES PREVENTION GRANT FOR THE OFFICE OF NEIGHBORHOOD REVITALIZATION MENTORING PROGRAM.**

**\*\* COUNCIL MEMBER MCBRIDE-LEE SECONDED.**

**\*\* THE MOTION TO TABLE AGENDA ITEM 133-13 GRANT SUBMISSION: RE STATE OFFICE OF POLICY & MANAGEMENT – YOUTH SERVICES PREVENTION GRANT FOR THE OFFICE OF NEIGHBORHOOD REVITALIZATION MENTORING PROGRAM PASSED UNANIMOUSLY.**

- \*\* COUNCIL MEMBER MARTINEZ-WALKER MOVED TO SCHEDULE A SPECIAL MEETING ONCE THE COUNCIL MEMBERS RECEIVED THE DOCUMENTATION ON AGENDA ITEM.**
- \*\* COUNCIL MEMBER DEJESUS SECONDED.**
- \*\* THE MOTION TO SCHEDULE A SPECIAL MEETING ONCE THE COUNCIL MEMBERS RECEIVED THE DOCUMENTATION ON THIS ITEM PASSED UNANIMOUSLY.**

**145-13 Proposed Resolution Authorizing a Tax Incentive Development Agreement for the Laurelwood Place Apartments, an Affordable Housing Development located at 585 Norman Street.**

Mr. David Kooris, the OPED Director came forward and introduced himself and Penn Lindsay, who was representing the developer, owner and investors of this property. He said that this was fairly similar to other proposals brought before the Committee such as Sycamore Place which were preservation proposals. There were affordable housing projects constructed 30 or 40 years ago that was subject to State financing and CHFA underwriting. Now the CHFA funding needs to be renewed so that the projects are able to remain affordable. New developers have been purchasing these properties. The City has been working with the State and the developers on these projects. The State aggressively underwrites this and projects the costs including locking in escalators, and rent subsidies over the period of time. The City wants to encourage the new owners to maintain capital investments in these projects and upgrade them with HVAC, elevators, common areas, and updating the bathrooms and kitchens.

Mr. Kooris said that this proposal is consistent with the State underwriting. This is not a reduction in taxes, but the current tax bill will be locked in with an escalator that is consistent with the State model at 3% a year. This provides predictability to both the capital investment on the property while preserving the affordability. These aging buildings are at the point where they require significant investment. The tax on that investment would jeopardize their ability to remain affordable. This proposal will allow the upgrades to the housing while maintaining the accessibility to the residents who have come to rely on these units. Mr. Kooris reviewed the current tax bill and assured the Committee that it would escalate at 3% a year.

He said that Council Member Swain and Council Member Halstead were the representative for that particular District. Mr. Lindsay then came forward to give a brief overview of the proposed plans for the project.

Mr. Lindsay said that it was a great summary. His company purchases existing affordable housing and use the Tax Credit program to put a significant amount of capital investment into the property. The property was constructed in 1980 and is 34 years old. The project is 100% occupied by the elderly and disabled Bridgeport residents.

Mr. Lindsay said that the group is working with CHFA in order to get tax exempt bonds and hope to close in October. Almost all of the systems in the building will need to be upgraded. All of the community areas will be renovated and refreshed.

An important aspect is that the developer is not looking for a reduction in taxes, but predictability in the tax liability of the property. Since CHFA is underwriting the loan on this property and the tax credit investor is also underwriting the property, both groups are reviewing the expenses very carefully to evaluate exactly what the debt will be.

Mr. Kooris was asked if this request was a tax reduction. He replied that it was not because of the yearly 3% escalator. The residents of this project have HUD subsidies, therefore the City can not predict what kind of rent increases there may be. He explained that it was an annual rent formula that HUD uses for different parts of the country and the fair market rent. He was then asked if the rent changes every year. Mr. Kooris said that he did not think they were changed every year. Mr. Lindsay said that the rents were set except for an Operating Cost Adjustment Factor (OCAF). This does change every year.

Mr. Kooris was asked what would happen if this proposal does not go through. Mr. Kooris said that this project was owned by the Rotary Club and there are no other offers on this particular project. Both parties are doing their due diligence and they are currently under contract. A significant portion of the work is working on the finances with CHFA. When CHFA models out the revenues and expenses, which would be in this case, a 40 year term, CHFA issues tax credits for the market and the market then looks to project what the return on the investment will be over the life of the tax credit. There are other companies that do these types of projects. Since many of these types of projects were done in the 70's and 80's, they are all maturing at the same time. The developers are asking not only Bridgeport, but also other communities where these projects are located for the same type of certainty. This is not a private development where as the neighborhood changes, the owner has the discretion to change the rents. The developer is looking to provide certainty to the residents so that the project remains affordable over the life of the loan and they are asking the City to be a partner in that.

Council Member Torres had several detailed questions about the financial details. He said that the building was being sold for less and in essence, the City was subsidizing the Rotary Club by giving a tax break. He said that the simple solution was to say "No", so that the developer could go back to the Rotary Club and discuss a lower price. Then CHFA would work with the figures. However, if the City gets involved, it would change the market. He said that by granting this request, the developers would walk away with a pay off that they did not deserve.

Council Member Halstead said he believed that the residents of this particular project pay 40% of their income. Mr. Kooris agreed and said that the residents pay 30% of their income, whatever that amount is, and the difference is subsidized. Council Member Halstead asked if the requirements were based on income. Mr. Kooris confirmed this and said that the residents have to have an income less than 60% of area mean income. Council Member Halstead then asked what the market rate would be for a one bedroom unit in Bridgeport. Mr. Kooris said that the average rent would be \$1,037.00. Council Member Halstead asked if that included utilities. Mr. Kooris said that it did not. Council Member Halstead wished to know who the investors were. Mr. Kooris said that there were discussions underway with two different investment groups, Enterprise Community Investment and Boston Financial.

Council Member Halstead said that if they got a building permit to put 3 million dollars of renovations into the project but if he went and pulled a permit for a \$100,000 project at his home,

his taxes would increase. Mr. Kooris said that these would be capital improvements. Council Member Halstead replied that when a private citizen makes capital improvements to their homes, they pay more taxes.

Council Member Halstead asked for confirmation that the agreement was for 40 years. Mr. Kooris said that it was a 40 year term. Council Member Halstead asked how many years the units had to be classified as “affordable”. Mr. Kooris said that the units would have to remain “affordable” for 40 years. Council Member Halstead then wished to know what the purchase price was. Mr. Kooris told him the figure. Council Member Halstead asked what the assessment of the project was. Mr. Kooris said that he did not have that figure with him. Council Member Halstead said that he believed it was 6 million but was not sure. He said that purchase price was 2 million more than the assessment. He said that there was no re-evaluation. He pointed out that the developer would be shielded from a re-evaluation, any increase of taxes and could make capital improvements to the building to the tune of a couple of million dollars. 3% a year is significantly less than what happens when a tax assessor comes and does a re-evaluation.. Council Member Halstead said that while this was good for the senior citizens, it was important to remember that the City needs to have tax revenue for the budget.

Mr. Kooris said that regarding the future assessment issue, that the project would be on the tax rolls and that there was a State Affordable Housing program where the State actually supplements the difference between the re-assessment tax amount and the amount of taxes paid. However, this is subject to the annual State Budget process. The City does have other projects enrolled in this program and receives the supplemental amounts from the State. However, this is not a 100% guarantee.

Council Member DeJesus had some questions on the increase in taxes and said he would like to have the actual figures. He was surprised that Mr. Kooris did not have the information immediately available. Mr. Kooris said that his department does have access to the CHFA application, which projects the expenses and revenues out for the 40 year period. Council Member DeJesus asked about the rents. Mr. Lindsay gave figure for the rents and said that they would increase each year, but this is typical. He reminded everyone that the amount was actually determined by HUD.

Council Member DeJesus asked how many similar projects the company had done in the past. Mr. Lindsay said that this would be the third one that his company had done in Bridgeport and eighteen in other states. Council Member DeJesus wished to know if the other projects involved multiple units. Mr. Lindsay said that they did. Discussion followed about the details.

Mr. Lindsay explained that way the program works is that the tenant was responsible for 30% of their income goes towards the rent. The difference made up through the contract with program.

Council Member Halstead said that it was his understanding that there was no guarantee that the re-evaluation would be covered by the State program. He said that this could be a loss of a \$100,000 a year, but everyone else in the City has to abide by the regular tax assessment. Council Member DeJesus said that it appears that Council Member Halstead was concerned about the fact that if a re-evaluation was done, the project would not be assessed at the same rate that the other multiple residential projects were. Mr. Kooris replied that he understood Council

Member Halstead to be saying that the project would not be assessed for the capital improvements made on the building during a re-evaluation. Council Member DeJesus said that when a re-evaluation does happen, the taxes would remain the same on the project as they were before the improvements were done. Mr. Kooris said that this was correct. Council Member Halstead said that he thought the Tax Assessor should release the information on this project since there was so much at stake. Council Member DeJesus disagreed and said his personal opinion was that if this information was released, it needed to be released for everyone.

Council Member Torres pointed out that one alternative was that the building is not sold and remains as it is. He added that another alternative was that the Rotary Club lowers the asking price of the building. He said that to request the Committee and the Council to give the developer a tax break so they could buy the building and make improvements was wrong. Council Member DeJesus asked Council Member Halstead or Council Member Torres for clarification. He asked them about the amount of taxes currently being paid now and wished to know if the Rotary Club was subject to the re-evaluation as it currently sits. Mr. Kooris said that right now, because of the tax incentive agreements for the property has expired, if there was a re-evaluation tomorrow, the Rotary Club would be subject to that re-evaluation. He reminded everyone that an assessment is not identical to a sales price or directly related to the cost of investment. Mr. Kooris explained that someone could invest in granite counters in their home and have a large increase in the assessment while in a multiple unit residence, a major investment in the HVAC system could result in no change in the assessment. Council Member Torres said that this was a flaw in the re-evaluation process. Mr. Kooris agreed, but also pointed out that he was not present to defend the process. He explained that if the Rotary Club retained the property, they have not indicated any interest in the types of capital improvements that the potential owner is willing to invest in this property. His department sees an opportunity to support a significant improvement in the quality of life for 100 residents who are subject to the whims of the limited housing options.

Council Member Torres wished to know if this type of graciousness would be extended to all the residents of Bridgeport. He pointed out that the majority of Bridgeport residents were low income. Council Member Torres said that there were neighbors that also would benefit from this type of a deal. Mr. Kooris said that the City does have tax credit programs for the elderly home owners and for a range of households in order to enable them to make incremental improvements. There is also a range of rehabilitation programs made up of loans and grants that are administered by Housing and Community Development to provide that support.

Council Member Torres pointed out that the City was also responsible for many foreclosures because the owners couldn't pay their WPCA assessment or their taxes. He said that in the same breath that the City is talking about helping people, the City also wipes people out financially. This is because the City of Bridgeport does not generate enough income to sustain itself. He said there was a continual stream of people coming to the Economic and Community Development Committee asking for individual breaks. Enough already. If no break is given, the value of the building will decline and the man will be able to make his purchase since it will have decreased in value rather than a gift received.

Council Member DeJesus wished to know if there was a number of the difference in taxes between what is being paid now and what would be paid. Mr. Kooris said that they don't know right now.

Council Member Halstead pointed out that these residents receive a 60% subsidy and there was also Section 8 housing. He pointed out that by denying this, it was an opportunity for the City to receive more taxes.

Council Member Martinez-Walker asked who currently manages the property. Mr. Kooris said that it is managed by a group called WIN. Council Member Martinez asked Mr. Lindsay who would manage the property if they acquired it. He replied that they have a company that they use for management. Council Member DeJesus asked if the management company was a for profit company. Mr. Lindsay replied that it was. Council Member DeJesus pointed out that by buying the property and having the taxes deferred, and having the rents subsidized, there would be major profits. Mr. Kooris explained that the way that property management arrangement worked was that it was a set percentage of the net income of the property. Discussion of the details followed.

Council Member DeJesus wanted to know what Mr. Lindsay's companies had done for the various communities that they have already completed projects in. Mr. Lindsay said that as part of the services to the tenants, the company has Resident Service Coordinators who are there to help residents. Council Member DeJesus wanted to know when the first project was completed. Mr. Lindsay said that it was about five years ago.

Council Member DeJesus said that it was nice that Mr. Lindsay's company could make a profit by doing a good thing is nice but the sense that Mr. Lindsay was trying to give to the Committee was that they were doing a good thing and because they were doing a good thing, they should be given this tax break. However, Council Member DeJesus pointed out that doing a good thing does not necessarily mean that there will be a payback. He said that he was interested in seeing how this program could be implemented. There is an opportunity available and Council Member DeJesus would like to see other companies involved.

Council Member Martinez-Walker asked where WIN was base from. Mr. Lindsay said that they were based in Boston, but pointed out that his company does not have a relationship with them. WIN works for the Rotary Club.

Council Member Martinez-Walker said that she was familiar with one of the three locations where Mr. Lindsay's company had completed a project. When she said the address, Mr. Lindsay explained that was not their project. His company has Sycamore Place Apartments, Bridgeport Elderly Apartments and the third one will be Laurelwood Place, the property under discussion.

Council Member Halstead has a question about the investor's ownership and pointed out that the investors get a tax break and own 99.9% of the project. He wanted to know who would be the limited partner. Mr. Lindsay said that the investors would be. Council Member Halstead said that Mr. Lindsay's company would get their profit from the management while it was owned by the investors. Mr. Lindsay said his company was the controlling partner and would manage and run the property. He then explained that the Federal Government makes tax credits available to



the individual States and the States make them available to low income housing projects. These are not tax breaks, but tax credits. The credits are given to the developers who sell them through syndicates and investors who may be local banks rather than individual investors. The Community Reinvestment Act requires the banks reinvest in the communities. This program has wide partisan support because it is so beneficial. It takes the equity from similar project that could not be done any other way and makes affordable housing available for cities like Bridgeport. It's a complicated process that requires a number of steps, including having a company come in to own and develop a property like Laurelwood.

Council Member Halstead asked if the State allocation could be used for other projects that need it more to revitalize other areas of the City that need attention. Mr. Kooris explained that there were two types of low income housing tax credits, 4% and 9%. The 9% credits are competitive and there is an allocation for housing authorities, and an allocation for developers. Then the 4% credits which are as of right, non-competitive allocation. But there are limitations statewide. This tax credit would be for 4%.

Council Member Halstead then spoke about the Beardsley Park project and said that the residents pay the pro-rated rent and for the utilities.

Council Member Swain then said it was her understanding that Bridgeport was just a partner in this project and had no input on how much the developer purchased the property for or who the Rotary Club sells it to. She said that she would like some clarification on the relationship between Bridgeport and the Rotary Club. She asked if they were subsidized by the City at all and whether they had obligations to the City when the building is sold. Mr. Kooris said that there is constant interaction with the Rotary Board to insure that the greater Bridgeport organization is focusing its resources within the City and supporting programs that go to the benefit of our youth and the community. There have been discussion with the Rotary Club regarding the ways that they can continue to invest their profits from property sales like this, but the City does not subsidize them as an organization. They do not have any concrete obligations to the City.

Council Member Torres said that in 1987 he had purchased a 12 unit building. He said shortly after purchasing the building, he had received a visit from the Section 8 representatives. After inspecting the building, they took 9 of the 12 apartments. He purchased the building with a rent of \$425.00 per unit for 2 bedroom units. However, Section 8 paid him \$850.00 per unit. While that was good for him as a landlord, the other three apartments in the building were forced up also. This also happened in the neighborhood where the average rent was about \$500. The rents then moved to \$800 per unit. What this did in effect was to make an affordable area less affordable for the residents who already lived there. He then asked if the condition of these units was so poor that Section 8 would not approve them. He was told no.

Council Member Torres pointed out that since Section 8 demands fairly decent units, and wanted to know why the City was being asked to approve putting another 3 million dollars into the project. He asked if it was the City's role to help provide some residents with upgrades in their residents while other neighbors who couldn't afford it are not helped.

Council Member Torres said that he wanted to know all the details, such as how much the Rotary Club stood to make on this deal; how much the management company makes and other issues. He would like to see the management company come to the table to contribute to the effort so that all the parties are committed.

Council Member DeJesus asked when Mr. Lindsay's company had purchased the Sycamore Apartments. He was told that it was about three years ago and they purchased the Bridgeport Elderly about five years ago. He then asked how much more was left on the Tax Incentive bonds for each of the complexes. Mr. Lindsay said that the Sycamore had a tax incentive while Bridgeport Elderly does not. There are 85 units at the Bridgeport Elderly, with one or two bedroom units. Council Member DeJesus asked what the average rent was for one unit. Mr. Lindsay said that he didn't know. Council Member DeJesus was surprised that Mr. Lindsay didn't know. Mr. Lindsay explained that it wasn't a property that he was involved with but he could find out. Mr. Kooris pointed out that the company was large and split their portfolio up. The discussion then moved to the Sycamore apartments, which has about 40 units and was just purchased.

Council Member Halstead then stated some rent numbers regarding the project, which he claimed was about half of the average rent for a one bedroom unit. He said that he had a row house in Washington Park and pays \$8,400 in taxes. If he received the same tax break as this project, his taxes would work out to be \$4,000. He pointed out that for some reason, the Laurelwood was paying half the taxes already.

Mr. Kooris said that the improvements to the building were not going to affect the assessed value of the building. He said that this was a set structure and that it would not have the same magnitude as a privately owned development. Discussion followed.

Council Member Banta said that he had sat on in on many of these types of committee meetings before and this was most intense questioning he had seen so far. He said that he would like to see Mr. Lindsay come back with some of the information and numbers that the Committee had requested. Mr. Lindsay said that he would be more than happy to do that and provide the information that the Council Members were requesting. Mr. Kooris asked that the Council Members email him the questions so that he and Mr. Lindsay could be sure that they answer all the questions and provided all the information.

**\*\* COUNCIL MEMBER DEJESUS MOVED TO TABLE AGENDA ITEM 145-13  
PROPOSED RESOLUTION AUTHORIZING A TAX INCENTIVE DEVELOPMENT  
AGREEMENT FOR THE LAURELWOOD PLACE APARTMENTS, AN  
AFFORDABLE HOUSING DEVELOPMENT LOCATED AT 585 NORMAN STREET.  
\*\* COUNCIL MEMBER MARTINEZ-WALKER SECONDED.  
\*\* THE MOTION TO TABLE THE ITEM PASSED UNANIMOUSLY.**

**142-13 Proposed Resolution authorizing a Tax Incentive Development Agreement for the Crescent Crossing Development located at 252 Hallet Street.**

Mr. David Kooris came forward and introduced Mr. Tom McCluskey from JHM who was present to speak about Crescent Crossing, which is one of the early phases for the Marina Village

replacement. This complex will be located on the former Father Panik Village site on Hallet Street. This application is even more aggressive than the other application because there are some challenges on the site, such as environmental concerns. New construction is more challenging in the city than rehabilitation. This is the first phase of a development. He spoke about the 10% target catalytic goal that had been previously discussed for the entire development. The recommendation tax agreement for this first phase of development is 5% in order to allow the development to get underway. Mr. Kooris then displayed some of the sketches of the proposed development.

He said that Phases 3 and 4 will hopefully be developed as the train station is also developed. The density is in keeping with the neighborhood for the early phases and is done in duplexes and a few small apartment buildings. This is a low income housing, tax credit project with a variety of income levels.

Mr. McCluskey said that the primary funding source for this project would be the tax credit program. There are also seven other funding sources that have been layered into the project. JHM has gone out to both public and private sources to assemble an appropriate financial package and to help maintain what is already in the neighborhood. This parcel has been vacant since the mid 80s and now there is an opportunity to create some revenue that will be part of a multi-phase project.

Mr. Kooris said that his department has been working on developing supportive uses, such as the train station. This is viewed as a new mixed income neighborhood on a major corridor. The consultants have looked at this and a wide range of public and private funding sources have become involved. He said that this could have a catalytic effect and feels that the City should participate in these types of ventures.

Council Member Martinez-Walker asked about the 5% applicable Tax Incentive in the document for Phase 1. She wished to know how long that term would be. Mr. Kooris checked and said it was for 30 years, which is concurrent with the CHFA financing. He added that he had made this clear that JHM was one of the private members of the co-development team that the Housing Authority selected for the redevelopment of multiple sites. While JHM will be owning and operating these sites, the land will remain under the control of the Housing Authority. He said that it has been made clear that the City expects that a 10% gross income target. However, to enable the project to get off the ground, the 5% will be used. Discussion followed.

Council Member Torres asked for clarification on the 5%. Mr. Kooris said that it was 5% of the gross income projected for the development, which is just over a million dollars a year. The effective tax equates to \$500 per unit per year. Council Member Torres said that there was no one in the City of Bridgeport that pays anything like that. Mr. Kooris said that there were units downtown and other developments.

Council Member Torres said that this was an absurd proposal and went on to say that the Council representatives that live in that area must be frustrated because the parcel has been sitting vacant for so long. He pointed out that this was because the parcel was owned by the Bridgeport Housing Authority. He asked what would happen if this property was simply to go onto the open

market. The City may never see what would have happened if this parcel had been allowed to be developed privately in terms of tax revenue.

Mr. Kooris said that his department does not look at tax revenue on a per unit or per household basis, but a per acre basis. They look at it on a proposal basis and the productivity of land. The City is only 16.1 square miles so the City needs to squeeze productivity and efficient revenue out of all the land. This development is higher density with more units on a smaller parcel. Mr. Kooris then spoke about the fuel cell plant, which also received a tax incentive agreement, and this was a significant reduction from a theoretical, potential tax revenue which was not achievable within the context of the project. Even with the tax incentive agreement, the City was able to make the fuel cell into one of the most productive pieces of land in the city. He repeated that OPED does not consider these projects on a per unit basis, or per household basis, but a per acre basis in order to shift the tax burden from resident and low density development to higher density portions of the city.

Council Member Halstead asked whether the people from Marina Village or the original Father Panik would be relocated. Mr. Kooris said that there was an opportunity for the residents of Marina to be relocated. A certain percentage of units have been set aside for residents of Marina Village. Above and beyond that, the remaining units would be open to Bridgeport residents.

Council Member Halstead said that his concern was there were residents who were struggling to get by and this project would undercut the market. This would make it harder for others who could barely make it. Mr. Kooris replied that part of the State's underwriting of these projects was a robust absorption of the houses. Council Member Halstead said that he was just giving his analysis of the issue. He has property and knows other property owners. There are landlords who can't pay their bills and mortgages now and this would undercut the housing market. There are vacant properties throughout the city, but all these resources are going into new construction. Council Member Halstead said he would like to see the resources diverted into some of the vacant buildings that are all over the city and just sitting there for years. This does not make sense.

Mr. Kooris said that this was an opportunity to create some new housing stock in Bridgeport for both current residents as well as bringing people in from outside. Currently, there has not been a major effort to bring people to Bridgeport. This will be an opportunity to house Bridgeport residents in a new, affordable, safe environment and bring in new residents. This is a two pronged approach.

Council Member Torres said this will affect the landlords in the city that are marginal in what they have, but additionally, every new family that comes into Bridgeport will certainly cost more than \$500 a year in education alone. There are ancillary costs with new people moving to Bridgeport. Council Member Torres said that he did not mind if new people came to Bridgeport as long as they were paying their fair share. Otherwise, everyone else gets to pay the difference. That means that current Bridgeport resident who pay their full taxes subsidize the residents of the development.

Council Member DeJesus asked about the percentage of Marina Village residents that would be relocated into this project. He was told that this could be up to 33%. Council Member DeJesus

asked about the number of units at Marina. Mr. Kooris said it would be 105 units and there were 135 units that were not currently habitable. He asked why there was going to be new construction on this parcel rather than working on Marina. Mr. Kooris said that OPED was working simultaneously on multiple fronts. The department has just gotten financing and zoning approval for 70 units at 375 Main Street in the South End. There is testing and plans for redevelopment of the Marina site. POKO and Bridgeport Neighborhood Trust are working on scattered site opportunities. The Marina replacement strategy involves multiple sites that will be mixed income development. Out of the first phase of the project, up to 31 units will be allocated for Marina Village residents. Discussion followed about the various percentage involved in the proposed phases of the development.

Mr. McCluskey said that for Phase 1 it would approximately be up to 33%, Phase 2 would be up to 25%; Phase 3 would be give or take 20% and Phase 4 would also be approximately 20%. These are the current projections and may change. Mr. Kooris said that this worked out to 180 units and would be less than 25% of the total.

Council Member DeJesus asked how many one and two bedroom units there would be. Mr. Kooris said that the plans for Phases 3 and 4 have not been completed so for Phases 1 and 2, there would be about 30% that are one bedrooms, 50% would be two bedrooms and the remaining 20% would be three bedrooms. Council Member DeJesus had several questions about the projections. Mr. Kooris said that if the new train station opens, it would have an impact on the number of one and two bedroom units that would be geared towards professionals.

Council Member DeJesus asked about the number of households in Marina Village that had children attending schools and the cost per student. Mr. Kooris said that he did not know definitely how many households, but that it was approximately \$12,000 per student. Council Member DeJesus said that his concern was that the number of children living in Marina Village now that attended public schools versus the number of two and three bedroom units being proposed. Also he was concerned about the amount of tax revenue that would be collected per unit. Mr. Kooris said that the students that were already living in Marina the City is already paying to educate with no tax revenue from Marina. However, there would likely be people attracted to this development that are not currently Bridgeport residents. He explained that while there are formulas that would help calculate the number of potential residents factoring in the new train station and the number of one and two bedroom units available, it was not possible to know how many Marina Village residents would be interested in moving to the new development. It was possible that some of the families in Marina would want to stay in the South End in order to keep their children in the same schools.

Mr. Kooris pointed out that the fact that this development was new construction in a market where this type of project is untested. He said that the second reason was that collectively across the city, people have invested a great deal in the concept of having a second train station as part of the East Bridgeport corridor.

Council Member DeJesus asked if Bridgeport Housing Authority owned the property and would only be leasing the land. Mr. Kooris confirmed this.

Council Member Feliciano asked about the replacement of the housing in the South End. Mr. Kooris said that there would be replacement options in the South End. He said that there had been a strong desire expressed by the Marina Village residents to move into new units in the South End. The Housing Authority, the development team and Social Services has been speaking with residents about this. Council Banta said that he was also aware of that there were a number of Marina residents that wanted to stay in the South End. Discussion followed.

Council Member Feliciano asked about the role of the developer with the Housing Authority. Mr. McCluskey said that JHM was there to provide the project and provide services for the residents and will be committed to keeping this development top notch for 65 years. There are other developments that JHM has throughout the country and they have stood by their commitments.

Council Member Torres asked about the fact that with the previous application, the units were 100% low income, 100% government and 100% no children and would have rents of \$1,200/unit. This proposal has 75% market rate units, 25% low income with children and no elderly. The final fact would be that this would be for a period of 65 years with no land costs. He then asked those present if this would be considered good management. Council Member Torres said that the Committee should be bringing the Housing Authority into the meeting and talking them into putting the land on the open market. Even with a warehouse constructed on the property, the City would have more taxes generated that it will with this project. He went on say that 5% that OPED was requesting seemed very low and should be 10% minimum.

Mr. Kooris said that this was not 75% market rate, but it was simply the first phase of the project. He added that the Housing Authority would not be able to sell the parcel because of many restrictions from HUD that required it be used for affordable housing. Mr. Kooris explained that while an industrial use such as a warehouse might pay a higher tax rate, on a per acre basis, low density, light industrial developments with surface parking and landscaping are less productive than high density housing, even with the tax incentive.

Council Member DeJesus then asked about the services that JHM would be providing for 65 years. He said that he considers “services” to be things like social services, mental health services, policing, etc. He also asked if there was a park on the parcel. Mr. McCluskey said that there was a park on the property and would remain. Council Member DeJesus asked if it would be improved. Mr. McCluskey said there had been preliminary conversations about this, but nothing had been decided at this time.

Council Member DeJesus said that Mr. McCluskey said that Mr. McCluskey did not know how many units would be available or how many bedrooms the various units would have or what percentage would be occupied by Marina Village residents. He said that if the park holds 10 children and the development adds 15 children, where would the additional children play. Mr. McCluskey then spoke about the green spaces and this was in the overall plan. He reminded everyone that the City owns the parcel and they would have to get permission from the City. Council Member DeJesus said that he was just trying to get a feel of what JHM would be bringing to the community. He said that when Marina was developed, it turned out not to be as effective as the residents hoped it would be. This is why he has an idea of what he would like to

see and what he would not like to see. This is also why he wants more benefits for the community other than the buildings.

Mr. Fletcher from JHM then said that Council Member DeJesus's questions needed to be responded to and said that he would be happy to have people come to visit the other developments located around the State. He said that JHM have a positive impact on communities.

In terms of the services provided directly to the residents, the community room will have space for the association of the resident groups, who elect their own representatives. There will be regular meetings for these representatives to discuss with the management how the operations are run, rule and regulations and other concerns. In addition to that, there will also be community space that can be used for parties, group meetings, etc. for the resident's use without charge. There will also be a computer room with internet access, copiers, fax machines and other equipment, which will allow students to come home from school and do their homework on the computer. There have been discussions under way with local universities about bringing tutors on site for the students. For the adults, there will be tutoring on how to fill out job applications, dress for jobs and general job interview coaching. This is a positive part of the community because these services makes the residents more productive.

Council Member Halstead said that the services provided by the group seem very nice but he wanted to know how much money was being pumped into this project only to have those trained leave Bridgeport. He said that in the past, applications have been approved so developers could apply to CHFA or for other subsidies and all of a sudden the developers were back in front of the Committee or Council saying they needed 20% more funding. He said that in the past, jobs had been promised by developers, yet Bridgeport residents did not seem to get these jobs in the end. Council Member Banta pointed out that this was not part of the discussion. Council Member Halstead objected to Council Member Banta cutting him off. Council Member Banta said he cut Council Member Halstead off because the discussion was getting off the beaten path.

Council Member Martinez-Walker said that the services that were currently being provided at the other facilities were great, but that with the polling had indicated that mental health services for substance abuse should be include in these units. She also asked for some type of policing in the community rooms, like other senior areas in Bridgeport.

Council Member Martinez-Walker asked what kind of safety methods were planned. She said that there was a busy road there and wanted to know if there would be fencing. She was told that there was no fencing planned because the development needed to be part of the community and vice versa. There will be a number of traffic calming measures throughout the development, such as one way streets, parallel parking, green spaces for the children to play and other measures. The green spaces will be in the interior of the buildings. Council Member Martinez-Walker said that when Father Panik Village was there, it was a very dangerous, high traffic area. She said that lately there have been hit and run accidents in the city. Mr. McCluskey said that this was a main focus for the developer.

Council Member Torres said that the subsidies that were being asked for were permanent subsidies. He asked if the services would be incorporated into the legal language of the contract

as guarantees to the Council. If they are violated, will the Council be able to revisit the subsidy, or will the developer just keep the buildings in perpetuity. Mr. McCluskey said that it was his company's intent to keep the buildings for 65 years.

Council Member Torres asked if there had ever been a building sold. Mr. Fletcher said that there was a building that was constructed in 1975 and was only sold in 2005. He explained the details. Council Member Torres said that there are no guarantees in business and that the Council should not put the future members of the City and the Council who could be put in difficult positions because of decisions made at this time.

Council Member Halstead said that he wanted clarification because he was under the impression that this was going to be a Housing Authority project. Mr. Kooris said that the Housing Authority has determined that they should not be in the business of building the housing or managing it, so they are transitioning away from that. Council Member Halstead asked if the Housing Authority would continue to own this. Mr. Kooris confirmed this.

Council Member Halstead asked about the subsidies mentioned earlier in the presentation. Mr. McCluskey then listed all the various agencies involved in the funding of the project, including tax credits, CDBG funding, and CHFA funding. Council Member Halstead asked if JHM would be requesting additional subsidy funding from the City beside the CDBG funding. Mr. McCluskey said that he was not sure at this point. It has been discussed, but no decision made. Council Member Halstead said that his concern was that this would take up so much subsidy funding that other projects through out the City would be short changed.

Council Member Martinez-Walker asked about services for veterans and how many handicapped units would be included in the development. She was told that 10% of the overall units would be handicapped accessible, as required by the State. The veterans have programs through the State that bring them into the projects.

Council Member Banta said that he would like to have a special meeting scheduled so additional information can be presented to the Committee.

Council Member DeJesus said that he appreciated the fact that this project would incorporate Marina Village residents and was a good idea overall. However, he felt that it was just a bit too aggressive for his taste and there was room for improvements in this deal. Council Member Martinez-Walker said that she would like to add Item 142-13 Proposed Resolution authorizing a Tax Incentive Development Agreement for the Crescent Crossing Development located at 252 Hallet Street to the Agenda for the a Special meeting.

**\*\* COUNCIL MEMBER DEJESUS MOVED TO TABLE ITEM 142-13 PROPOSED RESOLUTION AUTHORIZING A TAX INCENTIVE DEVELOPMENT AGREEMENT FOR THE CRESCENT CROSSING DEVELOPMENT LOCATED AT 252 HALLET STREET TO A SPECIAL MEETING.**

**\*\* COUNCIL MEMBER MARTINEZ-WALKER SECONDED.**

**\*\* THE MOTION TO TABLE PASSED UNANIMOUSLY.**



## **ADJOURNMENT**

- \*\* COUNCIL MEMBER MARTINEZ-WALKER MOVED TO ADJOURN.**
- \*\* COUNCIL MEMBER LEE SECONDED.**
- \*\* THE MOTION TO ADJOURN PASSED UNANIMOUSLY.**

The meeting adjourned at 8:30 p.m.

Respectfully submitted,

Sharon L. Soltes  
Telesco Secretarial Services